

No. 15,111

In the

United States Court of Appeals

For the Ninth Circuit

DICK E. STEARNS and THE D. E. STEARNS
COMPANY, a partnership composed of Dick
E. Stearns and Ellen Belson Stearns,

Appellants-Appellees,

vs.

TINKER & RASOR, a corporation JOHN P.
RASOR and LEO H. TINKER,

Appellants-Appellees.

Brief of Tinker & Rasor, John P. Rasor and Leo H. Tinker in Answer to Plaintiffs' Opening Brief

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**Brief of Tinker & Rasor, John P. Rasor
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INTRODUCTION

The pleadings, history of this case, jurisdiction and parties are correctly set forth in "Plaintiffs'-Appellants' Brief on Second Appeal" (the white covered brief, filed on or about August 21, 1956). Such brief is referred to hereinafter as "Plaintiffs' Brief."

Certain terms will be used for convenience in this brief as follows:

"Plaintiffs" is used to designate the parties Dick E. Stearns and The D. E. Stearns Company.

"Defendants" is used to designate the parties, Tinker & Rasor, John P. Rasor and Leo H. Tinker.

"Stearns Patent" is used to designate United States Letters Patent No. 2,332,182, which is the patent upon which suit is brought.

Throughout this brief, where italics appear in quotation, the emphasis is added except where otherwise stated. Also, matter appearing in quotations which is enclosed by brackets is added.

STATEMENT OF THE CASE

The complaint alleges infringement of Claims 1 and 7 of the Stearns Patent (R. 4 and 5, Paragraphs V and VI of Complaint). Infringement by the individual Defendants John P. Rasor and Leo H. Tinker is admitted but is denied as to the corporate Defendant Tinker & Rasor.

The Stearns Patent is directed to certain parts or components of a holiday detector. The purpose of a holiday detector is correctly stated in Plaintiffs' Brief, pages 4 and 5. The components covered by Claim 1 are an electrode and a pusher and those covered by Claim 7 are the electrode and pusher in combination with a carriage which rolls on the pipeline.

The issue of infringement as to Claim 1 is whether the pusher employed by the corporate Defendant Tinker & Rasor, which is in evidence as Pls.' Exh. 26A and is depicted in "Exhibit D" appended to Plaintiffs' Brief, is a means "rotatably engaging" the electrode (Pls.' Exh. 26C, colored yellow in "Exhibit D"). The significance of the quoted language is that it was inserted in Claim 1 by amendment; it was deemed by the District Court to be ambiguous; and it was interpreted by the District Court in the light of statements in the Stearns Patent and testimony of witnesses at the trial to restrict Claim 1 to a pusher with wheels or rollers, such as used by Plaintiffs. (See "Exhibit C" appended to Plaintiffs' Brief). Defendants' pusher, Pls.' Exh. 26A, does not employ wheels or rollers; hence the District Court found no infringement.

The District Court's findings regarding Claim 1 are Findings Nos. 16-37, R. 918-925.

As to Claim 7 the issue of infringement is whether that claim may be construed to cover a combination of a rolling coiled spring electrode, a carriage on wheels which rolls along a pipeline and a pusher which is connected to the carriage only by a flexible electric cable and which requires the hand of a human operator applied directly to the pusher in order to propel the electrode. The District Court (Findings Nos. 38-45, R. 925, 926) held that Claim 7 may not be so construed and held no infringement of Claim 7 by defendants device, Pls.' Exhs. 26A, 26B and 26C.

In addition to the defense of noninfringement, Defendants assert the defense of misuse of the Stearns Patent by Plaintiffs (Paragraphs XIII, XIV and XV of Answer, R. 11, 12). The facts upon which the District Court sustained the defense of misuse are briefly as follows:

The Stearns Patent is for a part only of a holiday detector, the remaining unpatented part being the electrical high voltage generating and signalling apparatus which accounts for the major part of the cost of a detector and which is separable and divisible from the patented part. Plaintiffs will lease, but refuse to sell, their detectors and they will not lease or sell parts of their detectors although they will supply replacement parts for leased detectors (Findings Nos. 46-53, R. 926-928). The District Court found (Findings Nos. 54, 55, R. 928) that the actual realistic effect of this policy is to tie the unpatented part to the patented part and to restrain trade in parts of holiday detectors.

A subsidiary phase of the misuse aspect of the case is that Plaintiffs license the Stearns Patent but upon conditions so onerous, as found by the District Court (Findings Nos. 57-60, R. 929) as to achieve the same result, i.e., a tie-in of patented apparatus with unpatented apparatus.

Conclusion of Law No. III (R. 930) summarizes the legal conclusions drawn by the District Court regarding misuse, that Plaintiffs' policy (leasing and licensing) is an unlawful misuse of the Stearns Patent because it uses the patent "to monopolize and to restrain competition in unpatented materials".

SUMMARY OF ARGUMENT

I. There Exist Both Expansive and Restrictive Rules of Claim Interpretation. Where the Facts Call for Application of a Restrictive Rule, It Prevails Over an Expansive Rule.

The burden of proving infringement is on the plaintiff. He must prove infringement of a *claim* of a patent; there is no such thing as infringement of a "patent".

To aid a patentee there are certain expansive rules of claim interpretation, such as the doctrine of equivalents under which a claim may be construed more broadly than its literal meaning. But such expansive rules must give way to certain restrictive and controlling rules where the facts call for the latter. An example of a controlling, restrictive rule is the rule of file wrapper estoppel; that a claim once narrowed by amendment must be construed strictly and may not invoke the doctrine of equivalents. Also, not even the broadest claim of a patent may be construed more broadly than the actual invention. Also, where a patent clearly shows that no alternative construction is contemplated, it is not permissible to adopt a contrary interpretation of a claim.

Plaintiffs seek to invoke only the expansive rules of claim interpretation. The District Court carefully considered and properly applied all of the pertinent rules.

II. The District Court Properly Construed Claim 1 in the Light of the Facts and the Legal Rules of Claim Interpretation as Being Limited to a Pusher with Wheels or Rollers.

Claim 1 defines the pusher element as "rotatably engaging" the electrode. This language was inserted by amendment, hence re-

stricts the claim to those pushers which “rotatably engage” the electrode. The meaning of this phrase is clarified by the patent itself, which emphasizes wheels on the pusher and says that these wheels are driven or, if not driven, must rotate easily. This interpretation is confirmed by Stearns’ experimentation with and abandonment of a wheelless pusher. Defendants’ device, Pls.’ Exhs. 26A and 26C, employs a wheelless pusher; hence does not infringe.

III. The District Court Properly Construed Claim 7 in the Light of the Facts and the Legal Rules of Claim Interpretation as Being Limited to a Device in Which the Pusher Is Rigidly Fixed to the Carriage.

Claim 7, which is conceded by Plaintiffs to be a lesser claim, is for a device in which the pusher and carriage are so related that “movement of said carriage longitudinally along a member [pipe] to be tested will cause a rolling movement of said electrode along such member”. This is not true of Defendants’ device, Pls.’ Exhs. 26A, 26B and 26C, which requires a human operator to push the electrode while pulling the carriage. The carriage is rolled on the pipe merely for convenience and its movement is independent of movement of the electrode. Plaintiffs’ contention that the human operator supplies the operating connection is absurd. If Claim 7 is interpreted that broadly, then it is invalid for failure to particularly point out and distinctly claim the invention.

IV. Plaintiffs Seek an Interpretation of Claims 1 and 7 Which Would Give Them a Monopoly of a Result Rather Than a Monopoly of a Means of Accomplishing a Result.

Plaintiffs seek to give a fantastically broad interpretation to Claim 7; they deny the plain meaning of the phrase “rotatably engaging” in Claim 1; and assertions in their brief show that they deliberately ignore other express limitations in Claims 1 and 7 in order to embrace several other types of holiday detector. Mr. Simms frankly stated to the District Court that their claims cover

everything that will accomplish the same result. Plaintiffs seek to monopolize a result, not just a means of accomplishing a result. Under the patent laws this is not permissible.

V. The District Court Properly Found That Plaintiffs Have Misused Their Patent.

A. FINDINGS NOS. 46-55 PROPERLY HOLD THAT PLAINTIFFS' PRACTICE OF LEASING ONLY A COMPLETE DETECTOR; OF REFUSING TO SELL; AND OF REFUSING TO SELL OR RENT PARTS OF DETECTORS, IS AN UNLAWFUL ATTEMPT TO EXTEND THE MONOPOLY OF THE PATENT TO UNPATENTED MATERIALS.

The District Court properly found that the Stearns Patent covers only a part of Plaintiffs' detector; that the unpatented part is separable and divisible from the patented part; and that the unpatented part accounts for the major portion of the cost of a detector. The District Court also properly found that Plaintiffs follow an exclusive leasing policy under which persons who desire to use the patented apparatus must take it with and pay for unpatented apparatus. It is not possible for members of the public to obtain from Plaintiffs title to one of their detectors by purchase, or to obtain parts of detectors except as replacement parts for leased devices. The inevitable effect of this policy is to extend the monopoly of the patent to unpatented materials.

B. THE DISTRICT COURT PROPERLY APPLIED THE LAW OF MISUSE TO FINDINGS NOS. 46-55. ANY DIFFERENCE BETWEEN PLAINTIFFS' PRACTICE AND POLICIES CONDEMNED HERETOFORE IS WITHOUT LEGAL SIGNIFICANCE.

Plaintiffs, in their brief, point to certain alleged differences between their practice and practices condemned in prior cases. It is submitted that the facts of the present case are on all fours with at least one recent case, *Cardox Corp. v. Armstrong Coalbreak Co.*, 194 F.2d 376, C.A. 7 (1952), cert. denied 343 U.S. 979. Moreover, a study of the cases on patent misuse shows zeal and ingenuity on the part of patentees to avoid the appearance without avoid-

ing the spirit of wrongdoing, and they also show an equal zeal on the part of the courts to regard such evasive conduct as being without legal significance and as mere attempts to conceal unlawful monopolistic practices.

C. FINDINGS NOS. 57-60 PROPERLY HOLD THAT PLAINTIFFS' LICENSING POLICY IS NOTHING MORE THAN AN EXTENSION OF THEIR UNLAWFUL LEASING POLICY AND IS AN ATTEMPT TO FORCE PLAINTIFFS' LICENSEES TO DO BUSINESS IN THE SAME UNLAWFUL WAY AS PLAINTIFFS.

Plaintiffs offer one form of license to sell the patented electrode-pusher combination and another form of license to lease the patented electrode-pusher combination. However, the royalty required to be paid is \$250.00. The item itself sells in commerce for about \$22.50. Accordingly, it would be impossible either to sell or lease the patented combination alone under a license from Plaintiffs. A licensee would, of necessity, have to follow the same policy as Plaintiffs, namely, selling or leasing the patented combination only with complete detectors.

VI. A Reply to Miscellaneous Assertions in Plaintiffs' Brief.

- A. PLAINTIFFS ERRONEOUSLY DESCRIBE THE WHEELS OR ROLLERS OF THE STEARNS PUSHER AS A BEARING. THAT TERM IS NOT SO USED IN THE PATENT AND WAS NOT INTENDED BY STEARNS TO DESCRIBE THE WHEELS OR ROLLERS OF HIS PUSHER.**
- B. PLAINTIFFS ERRONEOUSLY CONTEND THAT, AS TO THE ISSUE OF INFRINGEMENT, ONLY QUESTIONS OF LAW EXIST.**
- C. PLAINTIFFS SUGGEST THAT THE CRITERION OF INFRINGEMENT IS A COMPARISON OF THE DEFENDANTS' STRUCTURE WITH SOMETHING OTHER THAN THE CLAIMS OF THE PATENT. THIS IS NOT THE PROPER CRITERION OF INFRINGEMENT.**
- D. PLAINTIFFS RELY UPON CERTAIN GENERAL STATEMENTS IN THE STEARNS PATENT TO GIVE THE INVENTION A BROAD CHARACTERIZATION. THESE GENERAL STATEMENTS MUST BE READ IN THE LIGHT OF RELATED SPECIFIC STATEMENTS. SO READ, THE GENERAL STATEMENTS ARE NOT A RELIABLE CRITERION OF THE BREADTH OF THE INVENTION.**
- E. PLAINTIFFS ERRONEOUSLY CONTEND THAT THE ARGUMENT OF THE PATENT SOLICITOR IN AMENDING CLAIM 1 SUPPORTS THEIR INTERPRETATION OF CLAIM 1.**
- F. PLAINTIFFS POINT TO THE FACT THAT CLAIM 1 RECITES "MEANS ROTATABLY ENGAGING", WHEREAS CLAIM 2 RECITES "ROLLERS", AND THEY RELY UPON THE RULE THAT A GENERIC CLAIM WILL NOT ORDINARILY BE CONSTRUED TO INCLUDE THE LIMITATION OF A MORE SPECIFIC CLAIM. BUT PLAINTIFFS NEGLECT TO STATE THE CONTROLLING RULE THAT NO CLAIM MAY EXCEED THE ACTUAL INVENTION.**
- G. CASES RELIED UPON BY PLAINTIFFS ON THE ISSUE OF MISUSE ARE DISTINGUISHABLE.**

ARGUMENT

- I. There Exist Both Expansive and Restrictive Rules of Claim Interpretation. Where the Facts Call for Application of a Restrictive Rule, It Prevails Over an Expansive Rule.**

The complaint alleges infringement of Claims 1 and 7 of the Stearns' Patent (R. 4, 5). The burden of proving infringement is on the Plaintiffs. *Magnavox Co. v. Hart & Reno*, 73 F.2d 433, 434, C.A. 9 (1934).

Only a claim of a patent can be infringed; it is the claims of a patent which measure the scope of the patent monopoly. *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405, 419, 52 L.Ed. 1122, 1128 (1908); *White v. Dunbar*, 119 U.S. 47, 51,

52; 30 L.Ed. 303, 305 (1886). As stated in "Walker on Patents", Deller's edition, page 1681:

"Strictly speaking, infringement of a patent is an erroneous phrase; what is infringed are the *claims of the patent* which '*measure the invention*' and define precisely what the invention is, and the limits beyond which one cannot pass without infringing; therefore it is to the claims of the patent to which one must look to determine whether there is an infringement." (Emphasis in the original.)

Certain well established rules exist for interpreting a patent claim. One rule is that a claim must be read in the light of the description and drawings, especially where the claim is ambiguous. *Schriber-Schroth Co. v. Cleveland Trust Co.*, 311 U.S. 211, 217; 85 L.Ed. 132, 135, 136 (1940); *Snow v. Rwy. Co.*, 121 U.S. 617, 630; 30 L.Ed. 1004, 1008 (1887); *Stuart Oxygen Co. v. Josephian*, 162 F.2d 857, 860, 861, C.A. 9 (1947); *Kugelman v. Sketchley*, 133 F.2d 426, 427, C.A. 9 (1943).

Another rule is the rule or doctrine of equivalents, to wit, that a patent claim may be construed to cover a structure which employs a different element than called for by the claim, provided the different element is an equivalent of the element called for by the claim. One element is the equivalent of another if it does the same work in substantially the same way and accomplishes the same result. *Sanitary Refrigerator Co. v. Winters*, 280 U.S. 30, 42; 74 L.Ed. 147, 156 (1929); *Graver v. Linde*, 339 U.S. 605, 608; 94 L.Ed. 1097, 1102 (1950).

Also, if a patent contains both a broad claim and a narrow claim, ordinarily the broad claim will not be given as restricted an interpretation as the narrow claim. *Kemart Corp. v. Printing Arts Laboratories*, 201 F.2d 624, 633, C.A. 9 (1953).

Certain of the above rules of claim interpretation are favorable to the patentee and are calculated to protect his invention. These may be called "expansive" rules. These rules are relied upon by the

Plaintiffs. There are, however, certain restrictive rules of claim interpretation. The courts have held that, where the facts call for application of a restrictive rule, it prevails over the expansive rules. The fact that there are restrictive rules of claim interpretation and that they prevail over the expansive rules is reasonable. A patent grants to the patentee for a period of 17 years a monopoly which is secured through an *ex parte* proceeding in the Patent Office. Individual members of the public are not privileged to be represented in this proceeding. It is also just and reasonable that certain restrictive rules of claim interpretation should be invoked in appropriate cases, because patentees are forever seeking to stretch the scope of their patents beyond reasonable limits. As long ago as 1886, the Supreme Court in *White v. Dunbar*, 119 U.S. 47, 51; 30 L.Ed. 303, 305, observed of patentees that:

"Some persons suppose that a claim in a patent is like a nose of wax which may be turned and twisted in any direction, by merely referring to the specification, so as to make it include something more than, or something different from, what its words express."

Patentees have rights; so also do persons whom they sue and so does the public at large. Courts should be at least as zealous in protecting the rights of the public from inventors who over-claim their inventions, as in protecting the rights of inventors from too narrow and restrictive an interpretation of their claims.

One of the prevailing, restrictive rules of claim interpretation is the rule of file wrapper estoppel. When the facts show file wrapper estoppel, the doctrine of equivalents has no application. The rule of file wrapper estoppel is this: Where a broad claim is presented to the Patent Office and is rejected, and the applicant then amends the claim to narrow it in order to secure allowance, thereafter the amended, narrowed claim must be construed strictly and the doctrine of equivalents does not apply. This rule is stated

in *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136; 86 L.Ed. 736, 744 (1942), as follows:

“Assuming that the patentee would have been entitled to equivalents embracing the accused devices had he originally claimed a ‘conductor means embedded in the table,’ a very different issue is presented when the applicant in order to meet objections in the Patent Office, based on references to the prior art, adopted the phrase as a substitute for the broader one ‘carried by the table.’ Had Claim 7 been allowed in its original form, it would have read upon all the accused devices, since in all the conductor means complementary to the coil spring are ‘carried by the table.’ By striking that phrase from the claim and substituting for it ‘embedded in the table’ the applicant restricted his claim to those combinations in which the conductor means, though carried on the table, is also embedded in it. By the amendment, he recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference. The difference which he thus disclaimed must be regarded as material, and since the amendment operates as a disclaimer of that difference it must be strictly construed against him. As the question is one of construction of the claim it is immaterial whether the examiner was right or wrong in rejecting the claim as filed. It follows that what the patentee, by a strict construction of the claim has disclaimed—conductors which are carried by the table but not embedded in it—cannot now be regained by recourse to the doctrine of equivalents, which at most operates, by liberal construction, to secure to the inventor the full benefits, not disclaimed, of the claims allowed.” (Citations omitted.)

In *Dixie Cup Co. v. Paper Container Mfg. Co.*, 169 F.2d, 645, 648, C.A. 7 (1948) the Court said that “the change effected by the amendment must be construed against the patentee.”

Another restrictive rule is that no patent claim, however broad, may be construed more broadly than the invention. This Court has

said recently in *Kemart Corp. v. Printing Arts Laboratory*, 201 F.2d, 624, 629:

"At any rate, the fact that the claims of the Marx patent are broad enough to cover appellant's process does not establish infringement. The claims are to be read in connection with the specification, and a patentee's broadest claim can be no broader than his actual invention."

The Court applied this rule notwithstanding the fact it assumed "that the process of the Marx Patent is a meritorious invention, entitled to a relatively broad range of equivalents" (201 F.2d, 629).

It is thus apparent that a claim must be construed in the light of the specification and that it may not be construed more broadly than the actual invention. A corollary of these rules of claim construction is that, where a patentee in his specification has demonstrated that he contemplates no alternative for a given construction, he will not be heard later to contend that his claim contemplates something else. This situation arose in *Snow v. Railway*, 121 U.S. 617, 30 L.Ed. 1004 (1887). The patentee in that case contended that the trial court had construed his patent too narrowly; that something described as essential in the patent was not essential at all. The court remarked (121 U.S. 630):

"It is not admissible to adopt the argument made on behalf of the appellants, that this language is to be taken as a mere recommendation by the patentee of the manner in which he prefers to arrange these parts of his machine. There is nothing in the context to indicate that the patentee contemplated any alternative for the arrangement of the piston and piston rod. The arrangement of the valves, as shown in the drawings, he declared not to be essential, and explained how they might be otherwise adjusted * * * but no such language is used in reference to the connection between the piston and its rod."

All of these rules were carefully considered and were properly applied by the District Court to the facts in the case at bar, as will now be shown.

II. The District Court Properly Construed Claim 1 in the Light of the Facts and the Legal Rules of Claim Interpretation as Being Limited to a Pusher with Wheels or Rollers.

Claim 1 is for an electrode in the form of a coiled spring, in combination with a pusher element for contacting the electrode electrically and for rolling the electrode along a pipe. Plaintiffs in their Brief properly contend that the point at issue is the meaning of the language, "means rotatably engaging", as used in Claim 1 to define the pusher element.

Finding No. 19 (R. 919, 920) sets forth the conflicting contentions of the parties and illustrates this conflict by the conflicting testimony of the witness Lee (for Plaintiffs) and the witness Peterson (for Defendants). Examples of that conflicting testimony will be found at R. 309 and 519-523.

Finding No. 20 (R. 920) explains the significance of this conflict and pinpoints the issue as the meaning of the phrase "rotatably engaging"; whether the phrase does or does not limit the patented pusher to one with wheels or rollers. If limited to wheels or rollers, then Claim 1 is not infringed by Pls.' Exhs. 26A, 26B and 26C. If Claim 1 is not so limited, then it is infringed. This is admitted in Plaintiffs' Brief, page 7, 3rd paragraph.

Finding No. 21 (R. 920, 921) states the fact that the language "rotatably engaging" was not present in Claim 1 (originally Claim 3 of the application) as filed but was added by amendment. This fact is shown by the file wrapper, Defs.' Exh. L (a physical exhibit) pages 12 and 24; it was testified to by Peterson (R. 523-526); and it is illustrated by interlineation in Defs.' Exh. HH (R. 782). There is no dispute that the "means forming a movable electrical contact with said spring" of Claim 1 (Claim 3 of the

application) as originally filed was further and more specifically defined as "means *rotatably engaging and forming* a movable electrical contact with said spring." Nor is there any dispute that this amendment was made to overcome the objection of the Patent Examiner that the original claim was "indefinite and incomplete" and was unpatentable over prior art. (File wrapper of the Stearns' Patent, Defs.' Exh. L., pages 22 and 24.)

Bearing in mind that a patent claim is to be read in the light of the specification and drawings, particularly when the claim is ambiguous, it was quite proper for the District Court to refer in Findings Nos. 24 to 27 (R. 921, 922) to the specification and drawings of the Stearns Patent. Finding No. 24 is that, in Fig. 10, the pusher element is equipped with wheels 44 and 45 in contact with the electrode and wheels 46 and 47 in contact with the pipe and with the wheels 44 and 45; and that in Fig. 15 only wheels 68 and 69 in contact with the electrode are employed. Finding No. 25 is that the specification of the patent states that the function of wheels 46 and 47 is to serve as friction wheels in contact with the pipe and with wheels 44 and 45 "so that when the device is moved along the pipe, the wheels 44 and 45 will be made to rotate." Finding No. 26 refers to the fact that in the specification of the patent at page 3 (R. 760), column 1, lines 4 to 27, another form of pusher is described. The patent states:

"* * * It has been found that under many circumstances the use of the wheels 46 and 47 is unnecessary and under such circumstances these are omitted as shown in Fig. 15. In this figure the brackets 66 and 67, which correspond to the brackets 38 and 39, are not provided with a means for mounting wheels such as 46 and 47. They are provided, however, with mountings for wheels 68 and 69, corresponding to the wheels 44 and 45, which wheels are adapted to engage on opposite sides of the electrode 56 and provide electrical contact therewith, as well as to move said electrode along the pipe. When the wheels 46 and 47 are employed, it will be

seen that they tend to rotate the wheels 44 and 45 and that rotation of these wheels is transmitted by friction to the electrode 56 tending to rotate the same as well as to push it forward. Where the wheels 46 and 47 are not employed, as in Fig. 15, the knurling 55 may be omitted so that the wheels 68 and 69 might be perfectly smooth if desired. Wheels 68 and 69 must rotate easily to cause proper propulsion of the electrode while permitting it to rotate.”

There can be no dispute with Finding No. 26. The next finding, No. 27 (R. 922), states that the language quoted in Findings Nos. 25 and 26 is “the only language contained in the Stearns Patent which explains or clarifies the meaning of the phrase ‘rotatably engaging’ in Claim 1.” Plaintiffs, in their Brief, rely upon general, ambiguous language which in fact means nothing at all and which does not clarify the ambiguity in the phrase “rotatably engaging.”¹

The Stearns Patent does indeed contemplate alternatives to several of the elements of construction. Thus, the driving wheels 44 and 45 may or may not be employed at the option of the user. But the patent does not contemplate any alternative for wheels which make contact with the electrode.

If the driving wheels 46 and 47 are omitted, then, in accordance with the patent at page 3, column 1, lines 8 to 16:

“* * * the brackets 38 and 39, are not provided with a means for mounting the wheels 46 and 47. They [i.e., the brackets 38 and 39] are provided, however, with mountings for wheels 68 and 69, corresponding to the wheels 44 and 45, which wheels are adapted to engage on opposite sides of the electrode 56 and provide electrical contact therewith, as well as move said electrode along the pipe.”

Only one inference can be drawn from this language, to wit, that the driving wheels 46 and 47 may be omitted, but *wheels contact-*

1. This point is dealt with *infra*, pages 45 to 46.

ing the spring electrode may not be omitted. Note also that in the construction of Fig. 15, the springs 42 and 43 are retained which press the wheels 68 and 69 against the electrode.

The patent specification goes on to state that, when wheels 46 and 47 are employed "they tend to rotate the wheels 44 and 45 and that rotation of these wheels [44 and 45] is transmitted by friction to the electrode 56 tending to rotate the same as well as to push it forward" (Page 3, col. 2, line 16-21).

It is plain that Stearns contemplated that rotation of the wheels 44 and 45 [which is caused by the driving wheels 46 and 47] rotates the electrode.

Significantly, the patent then states:

"Where the wheels 46 and 47 [i.e., the driving wheels] are not employed, as in Fig. 15, the knurling 55 may be omitted so that the wheels 68 and 69 might be perfectly smooth if desired."

Note the alternative contemplated; wheels 68 and 69, if used, may be knurled or they may be smooth if desired.

Concluding this paragraph is the very significant sentence which Plaintiffs have never been able to explain away:

"WHEELS 68 AND 69 MUST ROTATE EASILY TO CAUSE PROPER PROPULSION OF THE ELECTRODE WHILE PERMITTING IT TO ROTATE."

Plainly, wheels 68 and 69 [without driving wheels 46 and 47] are an alternative to wheels 44 and 45 [which employ the driving wheels], and the wheels 68 and 69 may be knurled or they may be perfectly smooth. *However, the wheels 68 and 69 must rotate easily.*

Plaintiffs expert witness Lee was cross-examined on this precise point (R. 333, 334). He was asked whether the statement quoted above is a "statement, Mr. Lee, that the wheels 68 and 69 must rotate" (R. 333, last question). His answer (R. 333, 334) was

involved, to say the least, and was to the effect that "if you are going to use a roller bearing, it makes good sense that the roller bearing be able to roll." Again, at R. 334, Lee was asked

"Q. Suppose, Mr. Lee, that I employed something to stop the rotation of the wheels 68 and 69 altogether, would I then obtain proper propulsion of the electrode?"

Lee's answer (R. 334, last answer) was involved and evasive and was, in substance, as follows:

"* * * *if you are going to bother to go to the expense and trouble to use a roller*, then the thing ought to roll * * * If you are going to use a sleeve bearing, why, it is generally advantageous to have more area in contact."

Note that a "roller" is viewed by Lee as a "bother" and as an "expense and trouble"! Yet the Stearns Patent describes only wheels or rollers; it states that in one form the wheels are driven; and it emphasizes that in another form the wheels need not be driven but "must rotate easily to cause proper propulsion of the electrode".

Plainly, Finding No. 27 is correct in holding that the language "rotatably engaging" in Claim 1 means that the pusher must have wheels or rollers which must be driven or, if not driven, must rotate easily. Plainly Plaintiffs have failed, notwithstanding the valiant efforts of their expert witness, to sustain their burden of proving a contrary and broader meaning.

In *Snow v. Railway*, 121 U.S. 617, 630; 30 L.Ed. 1004, 1008, the Supreme Court pointed out that the patentee contemplated alternatives for certain elements but none for the vital elements upon which the issue of infringement turned. That is the exact situation in the case at bar.

Plaintiffs in the case at bar rely upon the rule that a patentee need not describe all alternatives. This is conceded. But Plaintiffs overlook the rule that, if a patent contains language which ex-

cludes an alternative (e.g., wheels which are not driven and which do not rotate easily), then "It is not admissible to adopt the argument * * * that this language is to be taken as a mere recommendation * * *" (*Snow v. Railway*, supra).

Finding No. 27 is amply supported by the record discussed above. Moreover, it is strongly confirmed by the testimony of the plaintiff Stearns, as set forth in Findings Nos. 28 to 32 (R. 922, 923). The substance of these findings is that, prior to filing his application for patent, Stearns experimented with a pusher which had no wheels or rollers but found it to be unsatisfactory, discarded it and never used it again. This pusher is depicted in Defs.' Exh. B (R. 762), which is a pencil sketch made by Stearns at the trial (R. 112-114). Experiments with this pusher demonstrated that it would roll a spring but (R. 89, 90):

"* * * I [Stearns] particularly noted that, with the hand pusher block down over the top of the spring, that each time you reversed direction of the spring, that is going from forward to backward motion, that there was a break in contact between the spring and one of the metal contacts on either side, whichever it might be, and then decided that there would have to be some means of articulation furnished."

Stearns further explained (R. 90) that this flaw in the block type pusher would result in "a registration of both the light and bell signal which would be false."

Stearns was cross-examined concerning this abortive block-type pusher (R. 112-115), at which time the sketch, Defs.' Exh. B, was made. Stearns testified that he never conducted electric current to a spring with this type of pusher (R. 115); that is, he never used it in a holiday detector. He further testified that, after these experiments, he "Never used it [the block-type pusher] again." (R. 115)

This was testimony taken in open court by one of the plaintiffs, the inventor himself. The District Court heard the testimony from

the lips of the witness and observed his demeanor. The District Court found full confirmation from this testimony of the interpretation placed upon Claim 1 in Finding No. 27 (R. 922). Finding No. 27 should be sustained.

The District Court's findings on Claim 1 are supported by the record. Thus the phrase "rotatably engaging" gives a meaning to this claim which excludes Defendants' wheelless pusher; and in view of file wrapper estoppel, and in view of positive, disclaiming statements in the patent itself and in view of Stearns' abandonment of a wheelless pusher, the Court properly refused to give Claim 1 a broader interpretation.

III. The District Court Properly Construed Claim 7 in the Light of the Facts and the Legal Rules of Claim Interpretation as Being Limited to a Device in Which the Pusher Is Rigidly Fixed to the Carriage.

Plaintiffs rely "primarily" on Claim 1 (Finding No. 16, R. 918; statement by Mr. Simms, R. 958, 959). They regard Claim 7 as a "lesser" claim.

The reason that Claim 7 is a "lesser" claim is evident from a comparison of that claim, on the one hand with its embodiment in Plaintiffs' structure, Pls.' Exhs. 16 and 17, (which is illustrated in "Exhibit C" appended to Plaintiffs' Brief) and, on the other hand, with Defendants' device, Pls.' Exhs. 26A, 26B and 26C (which is illustrated in "Exhibit D" appended to Plaintiffs' Brief).

Claim 7 calls for "a carriage comprising a platform on wheels." This is shown at 2 in Fig. 1 of the Stearns Patent and is colored brown in "Exhibit C" appended to Plaintiffs' Brief. A similar element is employed in Defendants' device, Plaintiffs' Exhibit 26B, which is shown in brown in "Exhibit D" appended to Plaintiffs' Brief. The same element is also shown in the prior Brannon detector, Defs.' Exh. FF (R. 778).

Claim 7 also calls for "an exploring electrode in the form of a flexible elongated member of circular cross-section and of electric-

ally conductive material adapted to embrace such member adjacent said carriage." Construing this to mean a coiled spring electrode, both Plaintiffs' and Defendants' devices employ it. This element is shown in yellow in "Exhibit C" and "Exhibit D" appended to Plaintiffs' Brief.

Claim 7 also calls for "an electrode pusher and contactor carried by and electrically insulated from said platform and having parts in mechanical and electrical contact with said electrode."

Pausing at this point and giving Claim 7 its broadest possible meaning to include any type of pusher and contactor which makes any type of contact with the electrode and which is connected by any means to the platform or carriage, then indeed Defendants' device also has a similar "pusher and contactor" (the pusher rod and shoe and the electric cable colored green in "Exhibit D" appended to Plaintiffs' Brief).

But can this element of Claim 7 be so broadly interpreted? The District Court properly held that it could not.

The applicable statute now in force is 35 U.S.C. 112, which requires that a patent claim shall particularly point out and distinctly claim the invention. The statute permits an element of a combination claim to be "expressed as a means * * * for performing a specified function" and it provides that "such claims shall be construed to cover the corresponding structure * * * described in the specification and equivalents thereof."

Under 35 U.S.C. 112, this particular element of Claim 7 (the pusher and contactor) must be construed as "a means * * * for performing a specified function." One may not, under the statute, interpret this element of Claim 7 broadly, literally and without regard to its function.

The function of this element is stated in the claim itself; it is to translate "movement of said carriage longitudinally along" a pipe into "a rolling movement of said electrode along" the pipe.

A glance at Pls.' Exhibit 26A, 26B and 26 will demonstrate that Defendants' device is incapable of this function. Referring to "Exhibit D" appended to Plaintiffs' Brief, the pusher (green) is a rod with a shoe at one end to engage the electrode (yellow) and a cable at the other end to connect to the high voltage apparatus within the carriage (brown).

Clearly "movement of said carriage longitudinally along a member to be tested will [*not*] cause a rolling movement of said electrode along such member."

Plaintiffs argue that when a human operator grasps the handle of the carriage in one hand and the rod in the other hand, he supplies the connection "whereby movement of said carriage longitudinally * * * will cause a rolling movement of said electrode." They argue that the rod plus the flexible electrical cable (which establishes an electrical connection) and the human operator (who supplies a mechanical connection) are the equivalent of the rigid pusher of Figs. 1 and 10 of the Stearns Patent, which is rigidly connected to the carriage so as to translate movement of the carriage into movement of the electrode.

This is an exaggerated, fantastic construction of Claim 7 and is completely at variance with the facts, as shown by the following considerations:

1. This construction does violence to common sense. The critical element of Claim 7 is referred to as a "pusher." This is meaningful because, in operation, the carriage is moved toward the electrode, not away from it; that is, movement of the carriage in relation to the electrode is a pushing movement and not a pulling movement. If Defendants' carriage is pushed toward the electrode, it will have no effect on the electrode until it overruns it. Then the carriage may displace the electrode somewhat, but it will not cause rolling movement of the electrode along a pipe, and it will not carry out the intended inspecting function. The "push-

ing" force on the electrode is exerted by the hand of the operator and is quite independent of motion of the carriage.

2. The only reason for using a wheeled carriage is to rest its weight on the pipe and to relieve strain on the human operator. Rasor so testified (R. 419). Brannon employed a detector in which the electric high voltage apparatus is contained in a carriage on wheels which rolls on the pipe (Defs.' Exh. FF, R. 778, 779). Defendants have other apparatus (Defs.' Exhs. T and U) which are similar to Pls.' Exhs. 26A, 26B and 26C, except that the electrical apparatus is sufficiently light to be contained in a case and carried on an operator's back like a knapsack. Claim 7, if construed as Plaintiffs would have it, would cover simply the fact that the electrical high voltage apparatus is equipped with wheels and is rolled along the pipe. This much was done by Brannon. This is the same principle employed by prehistoric man when he took a load of firewood off his back and placed it on a wheeled cart. Claim 7, if construed this broadly, would be invalid for failure to particularly point out and distinctly claim the invention as required by statute, 35 U.S.C. 112.

The District Court found that "Claim 7 requires that the pusher be a solid, rigid, immovable structure mechanically carried by and moving with the carriage so that movement of the carriage causes movement of the electrode" (Finding No. 40, R. 925). The District Court also found that Defendants' device does not employ such an element (Finding No. 41, R. 925, 926); that Defendants' device does not copy the structure of Claim 7 (Finding No. 42, R. 926); and that Defendants' device is not the equivalent of Claim 7 because it will not do the same work in the same way to accomplish the same result (Finding No. 43, R. 926). These are reasonable findings based upon a reasonable interpretation of Claim 7, read in the light of the specification and drawings of the patent. The burden is on Plaintiffs to prove a contrary meaning. Plaintiffs have failed to sustain the burden of proof.

Plaintiffs' expert witness, Lee, testified at length (R. 315-318) as to the "equivalence" of the structure of Claim 7 and Plaintiffs' Exhibits 26A, 26B and 26C. The substance of Lee's testimony is that the latter is equivalent to the structure of Claim 7 because of the way it is operated. The following question was put to Lee by Plaintiffs' counsel (R. 317):

"Q. Then, as a practical matter, do you believe that the green portion of the claim is carried by the brown portion of the claim?"

Lee's answer (R. 318) was as follows:

"A. Yes, sir, because in order to use the equipment there is no way to operate it other than to go ahead and put it in that form and operate it (illustrating)."

This testimony was heard and the demonstration observed by the District Court. The Court was not persuaded by this demonstrative evidence that Plaintiffs' burden of proof had been sustained. Accordingly, Finding No. 43 of lack of equivalence should be sustained.

IV. Plaintiffs Seek an Interpretation of Claims 1 and 7 Which Would Give Them a Monopoly of a Result Rather Than a Monopoly of a Means of Accomplishing a Result.

The fantastically broad interpretation which Plaintiffs place upon Claim 7 is discussed above, pages 19 to 23. Although Claim 7 specifies that it is movement of the carriage which causes rolling movement of the electrode, Plaintiffs ignore this limitation and interpret Claim 7 to cover merely the fact that Defendants support and roll their carriage on the pipe.

In Claim 1, Plaintiffs deny the plain meaning of the qualifying phrase "rotatably engaging" and now take the strange position that wheels or rollers are "bother", "expense" and "trouble" rather than a necessity (Lee, R. 334, last answer).

Plaintiffs' tendency to treat their claims "like a nose of wax" (*White v. Dunbar*, 119 U.S. 47, 51), and their intent to terrorize competitors is shown even more clearly by the statement made on page 7 of their brief as follows:

"Defendants introduced evidence of other holiday detector models made by them subsequent to the filing of the Complaint herein. Stearns contends such detectors which have the pusher and electrode of the type of Plaintiffs' Exhibits 26A and 26C infringe Claim 1 of the Stearns patent. Mr. Rasor testified all models were so-equipped (R. II, p. 452). Where the models also have carriages for riding the pipe, Claim 7 is urged as infringed."

The "other holiday detector models" referred to include the D-3 (Defs.' Exh. T), DS-3 (Defs.' Exh. U) and Model H (Defs.' Exh. V) detectors. These were developed by research on the part of Defendants and patents have been granted to Defendants upon them.²

Defendants' D-3 and DS-3 models are illustrated in brochures, Defs.' Exhs. T and U. In the D-3 model, the coil spring is a half circle and its ends are journaled in the ends of a semi-circular yoke. The spring in this electrode does not have "its ends secured together to completely embrace" the pipe, as required by Claim 1. Yet Plaintiffs contend that the D-3 infringes Claim 1. The DS-3 is an "All-Purpose Holiday Detector," which employs the half circle electrode of the D-3, or a full circle electrode.

Defendants Model H detector is illustrated in a brochure, Defs.' Exh. V. In this model, the spring electrode is propelled quite differently than the spring electrode of the Stearns device. It is propelled by a torque applied axially rather than by a pushing force applied laterally against the exterior of the spring. The electrode does not have its ends connected together as required by Claim 1, yet Plain-

2. Exhibits T, U and V show "Patents Pending". Patents Nos. 2615077 and 2629002 have been issued since the trial.

tiffs state that it infringes Claim 1. The Model H detector does not have a pusher which is "electrically insulated from" the platform as required by Claim 7. Yet, because the Model H has a carriage which carries the electrical apparatus and which rolls on the pipe, Plaintiffs assert it infringes Claim 7.

There is still further evidence that, if Plaintiffs succeed in their contentions in this Court, they will wage a campaign of terror against all who accomplish the result of rolling a spring on a pipe to detect holidays, regardless of the means employed to do it. This evidence will be found in colloquy between the District Court and Mr. Simms during the November 10, 1955, hearing.

At this point, it is appropriate to observe that Plaintiffs' Brief comments on observations of the District Court which appear favorable to Plaintiffs' side of the case. These observations were made by the District Court while conscientiously considering the arguments of both counsel and endeavoring to understand both sides of the case. At the conclusion of arguments, after all had been said, and after mature consideration of proposed findings of facts and conclusions of law submitted by both parties (R. 914), the District Court concluded that Plaintiffs had not sustained their burden of proving infringement.

Near the close of oral arguments on November 10, 1955, the District Court inquired earnestly and persistently of Mr. Simms as to the scope of the claims. The colloquy of Court and counsel is reported commencing at R. 1000, about the middle of the page:

"The Court: When your Claim 1 doesn't specify, doesn't say a roller, doesn't say a block, doesn't say anything, does it include everything?

"Mr. Simms: It includes any means which will perform the functions out.

"The Court: Then in not claiming in Claim 1, you claim everything, is that it?

"Mr. Simms: Every means which will perform the function. That also is in accordance with the patent statute, that an inventor may include an element in his claim—"

"The Court: Where is your authority for your statement that if in your claim you don't claim everything specifically, you naturally claim everything, known and unknown?"

"Mr. Simms: Your Honor, when you say you claim everything, that is an awfully broad statement. I don't know as I positively follow your meaning, but you claim everything that operates in the same way, do substantially the same thing and give the same results.

"The Court: Under your theory, then, as far as Claim 1 is concerned, it doesn't make any difference whether you use a roller or whether you use a bearing, or whether you use a block. It doesn't make a particle of difference, does it?"

"Mr. Simms: It doesn't make any difference in the practice of the invention, and that is our contention."

At page 1002 of the record:

"The Court: You don't contend that the only thing that will produce that particular result is the arm and connection you have?"

"Mr. Simms: Not whatsoever. Anything that will make that engagement and connect the spring to high voltage testing circuits for rolling such spring along such elongated member."

At the bottom of page 1002 and top of page 1003 of the record:

"The Court: Isn't it your contention that it doesn't make any difference what kind of a connector they have, whether it is a rod or by wand or by a tongue, as long as it does these things, it is an infringement of your patent?"

"Mr. Simms: That is substantially our position, yes, your Honor, that is the thing that was pointed out to the Patent Office to distinguish this invention. That is the thing that the Court of Appeals held distinguished it in part."

It will be seen that the Court repeatedly pressed Mr. Simms for his position with regard to the scope of the claims, but all he could get from Mr. Simms was that the claims cover anything that will accomplish the result.

This is functional claiming at its worst, of the type condemned in *The Incandescent Lamp Patent*, 159 U.S. 465, 475, 476; 40 L.Ed. 221, 225 (1895) and *Holland Furniture Co. v. Perkins Glue Co.*, 277 U.S. 245, 257; 72 L.Ed. 868, 873 (1928).

It is well at this point to summarize and list the instances of overclaiming by Plaintiffs; of claiming a result rather than the means of accomplishing a result.

1. The language in Claim 7 specifying the function of the pusher does not limit the claim; Claim 7 covers any detector in which the electrode is a spring rolled on the pipe and in which the electrical apparatus is on wheels supported by the pipe.

2. The language "rotatably engaging" in Claim 1 does not limit the claim, notwithstanding the fact it was introduced by amendment and notwithstanding the fact that the specification plainly indicates that the pusher has wheels or rollers. It appears now that Stearns' wheels or rollers were merely "expense", "bother" and "trouble" and should be avoided.

3. The language of Claim 1, "having its ends secured together to completely embrace" the pipe, imparts no limitation whatsoever; Claim 1 covers a half circle electrode whose ends are 180° apart (Defendants' Models D-3 and DS-3) and the electrode of Defendants' Model H wherein the ends of the electrode are spaced widely apart.

4. The Stearns Patent covers a wholly new concept (Defendants' Model H, Defs.' Exh. V), in which the spring is no longer supported by the pipe and is rolled by an axial torque.

5. The language in Claim 7, "an electrode pusher and contactor * * * electrically insulated from said platform" imparts no limitation; Claim 7 covers Defendants' Model H, in which the "pusher" (assuming there is a pusher) is electrically connected to (not insulated from) the platform.

6. Mr. Simms told the District Court quite bluntly that the claims cover every structure which accomplishes the same result, regardless of the means employed.

Seldom has there been a case in which the patentee has so flagrantly treated his claims "like a nose of wax which may be turned and twisted in any direction" (*White v. Dunbar*, 119 U.S. 47, 51; 30 L.Ed. 303, 305).

Unless this court puts a stop to it, Plaintiffs will toss out all the rules of claim interpretation and will sue and harass every firm and person who rolls a spring on a pipe, regardless of the means of doing it. Plaintiffs will have a monopoly on a result.

V. The District Court Properly Found That Plaintiffs Have Misused Their Patent.

A. FINDINGS NOS. 46-55 PROPERLY HOLD THAT PLAINTIFFS' PRACTICE OF LEASING ONLY A COMPLETE DETECTOR; OF REFUSING TO SELL; AND OF REFUSING TO SELL OR RENT PARTS OF DETECTORS, IS AN UNLAWFUL ATTEMPT TO EXTEND THE MONOPOLY OF THE PATENT TO UNPATENTED MATERIALS.

The findings of the District Court pertaining to Plaintiffs' leasing practice are Findings Nos. 46 to 55 (R. 926-928).³

There appears to be no dispute that Plaintiffs' product is the Stearns Electronic Holiday Detector (Finding 46, R. 926); that this product consists of certain Patented Apparatus (the electrode-pusher-carriage combination) and certain Electrical Apparatus (the high voltage generating and signaling apparatus, Finding No. 47, R. 927); and that the Electrical Apparatus is not covered by the Stearns Patent (Finding No. 48, R. 927). Plaintiffs' Brief raises no question concerning the findings that the unpatented Electrical Apparatus represents the major portion of the cost of a Stearns Electronic Holiday Detector, and that the Patented Apparatus represents not greatly in excess of 10% of the cost of the complete apparatus (Findings Nos. 49 and 50, R. 927). If any question is raised in this regard, the Court is referred to the testimony of Stearns, R. 167, last question, and R. 168 and 169.

3. Findings Nos. 57-60 (R. 929) relate to Plaintiffs' licensing policy and are discussed *infra*, pages 39 to 41. Finding No. 56 has been deleted (R. 932, 933).

Finding No. 51 (R. 927, 928) is that the D. E. Stearns Company follows an exclusive exploitation policy as follows: It will lease but refuses to sell the Stearns Electronic Holiday Detector; it refuses to sell or lease components; it will not make the Patented Apparatus available except in conjunction with and tied to the unpatented Electrical Apparatus; and it requires users to lease the apparatus as a whole, both patented and unpatented parts.

There is a dispute between the parties as to Finding No. 51. Plaintiffs in their Brief take issue with such words as "refuses" and "requires".

The basis for this finding is the testimony of Dick E. Stearns himself, which appears in the record at R. 166-167, as follows:

"Q. By Mr. Gregg: Mr. Stearns, does the D. E. Stearns Company follow the policy of leasing holiday detectors?

A. Yes, sir.

Q. You do not sell holiday detectors, is that correct?

A. Not in the United States.

Q. Not in the United States?

A. No.

Q. Mr. Stearns, does the D. E. Stearns Company sell or lease any parts of holiday detectors?

A. No, sir.

Q. They do not?

A. Except as replacement parts. If the damage to a machine is beyond the scope of ordinary wear and tear, a charge is made for repairs.

Q. In other words, I cannot come to you and obtain parts unless I am a lessee of a Stearns holiday detector, is that correct?

A. Well, you don't get—the lessee of Stearns detectors doesn't get parts, they get machines repaired for them and then they are charged for the repairs, if the breakage which necessitates that repair is beyond the scope of ordinary wear and tear.

Q. You do not supply parts except as replacements for parts of Stearns holiday detectors, is that correct?

A. That's correct."

Finding 51(a) (R. 927) is that the D. E. Stearns Co. "refuses to sell the Stearns Electronic Holiday Detector." Mr. Stearns testified that the D. E. Stearns Co. follows the policy of leasing holiday detectors, and in answer to the question: "You do not sell holiday detectors, is that correct?", his answer was: "Not in the United States."

Plaintiffs appear to take the strange position that, although Mr. Stearns testified that the D. E. Stearns Company does not sell holiday detectors, it does not follow that it "refuses" to sell holiday detectors. If this is Plaintiffs' position, then it is completely answered by the testimony of defendant John P. Rasor that Tinker & Rasor sells and leases its holiday detector according to customers' desires, and that in the year 1951 (which was the last calendar year preceding trial) its business consisted of 20% rentals and 80% sales (R. 437, 438). If a competitor of the D. E. Stearns Company sells or leases in accordance with customers' desires, and as a result its sales predominate over rentals in the ratio of 4 to 1, the inference must be drawn that the D. E. Stearns Company *refuses* to sell its holiday detector.

Finding 51(a), therefore, must be sustained.

Finding 51(b) (R. 927), is that the D. E. Stearns Company "refuses to sell or lease components of the Stearns Electronic Holiday Detector." In this connection Mr. Stearns was asked (R. 166):

"Q. Does the D. E. Stearns Company sell or lease any parts of holiday detectors?"

to which Mr. Stearns gave the answer:

"No, sir."

with the qualification that "replacement parts" were provided. The matter was pinpointed even more precisely as follows (R. 166, 167):

"Q. You do not supply parts except as replacements for parts of Stearns holiday detectors, is that correct?"

A. "That's correct."

This testimony was given in open court with ample opportunity to correct any misapprehension by cross examination. Plaintiffs failed to correct any misapprehension. How, in the face of this, Plaintiffs can now contend in good faith that the record fails to prove they *refuse* to sell or lease components for holiday detectors passes all understanding.

Accordingly, Finding 51(b) must be sustained.

It follows logically from Findings 51(a) and (b) that the D. E. Stearns Company "will not make the patented apparatus available except in conjunction with and tied to the Electrical Apparatus" (Finding 51(c), R. 927), and that "It requires users to lease the apparatus as a whole" (Finding 51(d), R. 928).

Finding No. 52 (R. 928) is that the Stearns Patent establishes on its face the fact that the unpatented Electrical Apparatus "is a separable, divisible part of the Stearns Electronic Holiday Detector and that the Patented Apparatus need not be employed with the Electrical Apparatus of the D. E. Stearns Company but may be used with electrical apparatus of other types."

Referring to Figure 1 of the Stearns Patent (R. 754), it will be seen that the carriage 2, the pusher mechanism at the front (left) of the carriage, and the electrode 56 are separable from the electrical apparatus which is supported on the carriage. The Stearns Patent (R. 758) at page 1, col. 1, lines 42-49, states:

"This application relates more particularly to a means whereby an electrical apparatus, *such as* described in said prior application, may be readily transported along a pipe line, to a special electrode by which the surface of such a pipe line, or the like, may be explored efficiently and readily moved along such pipe line, or the like, with said electrical apparatus."

At page 3 (R. 760), col. 1, line 75, to col. 2, line 21, the patent states:

"While it has been explained that the *actual structure and arrangement of the electrical high voltage source in the*

cabinet 15 forms no part of this invention, it is noted that suitable visual signals 75 may be provided for giving a visible indication when a defect in the pipe coating is encountered, and that suitable controls 76 may be provided for this structure. Audible signal means in the form of a bell 77 is also shown. Also, a suitable power source in form of batteries, or the like, may be provided as well as a means for placing a mark on the pipe if desired when a defect is encountered. Such latter means is a solenoid 78 connected to the high voltage device by means of connection 79, the plunger 80 within this solenoid being connected to a bell crank 81. The bell crank 81 carries a marker 82 and is urged in a direction to lift said marker away from the pipe by means of a spring 83. The bell crank is pivoted at 84 to a suitable bracket 85, which in turn is secured to the carriage by means of cap screws 86, or the like."

It is clear that the Stearns Patent itself treats the particular electrical apparatus described as optional. The District Court properly found that the unpatented Electrical Apparatus and the Patented Apparatus are separable, divisible components.

Finding No. 54 (R. 928) follows logically and inevitably from the preceding findings, namely, that "The actual realistic effect upon competition of the tie-in policy of the D. E. Stearns Co. is to require persons who desire to obtain the separable Patented Apparatus to take and pay for the unpatented Electrical Apparatus as well."

Findings Nos. 53 and 55 relate primarily to another phase of this case, namely, Defendants' counterclaim for damages, which is the subject of Defendants' "Opening Brief" filed August 31, 1956 (the green covered brief). These findings are not necessary to support Finding No. 54. However, attention is briefly called to the following:

Rasor testified (R. 439-441) that a substantial market exists for parts of holiday detectors, and that parts, including electrical components, such as batteries and ground wires, could be sold

for Stearns detectors but have not been sold by defendants for Stearns detectors. This Court may take judicial notice of the fact that in many businesses a thriving trade exists in the supply of parts for machines. The automobile business is a notable example. Thus, manufacturers of automobiles sell their products complete, but the purchasers of such automobiles frequently order replacement parts from sources other than the automobile manufacturer. This gives rise to a very thriving parts trade which is made possible by reason of the fact that automobile manufacturers sell their products and do nothing to discourage purchasers of automobiles from obtaining parts from other sources. In the case at bar Plaintiffs will only lease their holiday detectors, and the lease agreement (Defs.' Exh. H, second page) requires the lessee to pay Stearns a minimum royalty of \$5.00 per day, whether the detector is in use or not.

Clearly, a person using a Stearns detector will keep it only as long as he needs it and will then return it to Stearns so as to terminate the payment of minimum rental. This being the case, the user will not be inclined to purchase replacement parts. It follows inevitably that a potentially thriving parts trade is stifled.

B. THE DISTRICT COURT PROPERLY APPLIED THE LAW OF MISUSE TO FINDINGS NOS. 46-55. ANY DIFFERENCE BETWEEN PLAINTIFFS' PRACTICE AND POLICIES CONDEMNED HERETOFORE IS WITHOUT LEGAL SIGNIFICANCE.

The basic rule with regard to patent misuse can be described with reference to three leading cases. In *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 510, 513; 61 L.Ed. 871, 876, 877 (1917), the Supreme Court laid down the following rule:

“The scope of every patent is limited to the invention described in the claims contained in it, read in the light of the specification” (243 U.S. 510)

* * * * *

"This construction gives to the inventor the exclusive use of just what his inventive genius discovered. It is all that the statute provides shall be given to him and it is all that he should receive * * *." (243 U.S. 513)

The reason for this rule is given in *Mercoïd v. Mid-Continent Investment Co.*, 320 U.S. 661, 665, 666; 88 L.Ed. 376, 381 (1944), as follows:

"It is the protection of the public in a system of free enterprise which * * * denies to the patentee after issuance the power to use it [the patent] in such a way as to acquire a monopoly which is not plainly within the terms of the grant."

The penalty for using a patent in a manner calculated to extend its monopoly to subject matter outside the scope of the patent, is that a court will deny relief to the patentee. As stated by the Supreme Court in the *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 493; 86 L.Ed. 363, 366 (1942):

"Where the patent is used as a means of restraining competition with the patentee's sale of an unpatented product, the successful prosecution of an infringement suit even against one who is not a competitor in such sale is a powerful aid to the maintenance of the monopoly of the unpatented article. * * * Equity may rightly withhold its assistance from such use of the patent by declining to entertain a suit for infringement, and should do so at least until it is made to appear that the improper practice has been abandoned and that the consequences of the misuse of the patent have been dissipated."

It is not a necessary element of the defense of patent misuse that a defendant prove that he has been damaged. *Morton Salt Co. v. Suppiger Co.*, supra, at 314 U.S. 494; 86 L.Ed. 367 (1942):

"It is the adverse effect upon the public interest of a successful infringement suit in conjunction with the patentee's course of conduct, which disqualifies him to maintain the suit, regardless of whether the particular defendant has suffered in the misuse of the patent."

We maintain, in connection with our counterclaim for damages, which is briefed separately (green covered brief, filed August 31, 1956), that Defendants have been damaged, but in connection with this present brief and the *defense* of misuse, proof of damage is not necessary.

The first application of the doctrine of misuse was in 1917 in the *Motion Picture Case*, *supra*, 243 U.S. 502, 61 L.Ed. 871. The practice condemned in that case was the policy of a patentee in attaching a notice to a patented motion picture projector that it could be used only with film leased from the patentee.

It is natural to assume that today, after the lapse of nearly 40 years, transgressors are more subtle; that they do not employ such crude methods as fixing a restrictive notice of this character to the patented article. Plaintiffs in the case at bar point with pride to the fact that their lease contains no such restriction. It is important, however, to consider how subtleties and refinements of this nature have been dealt with by the courts since the *Motion Picture Case*.

In *Carbice Corp. v. American Patents Development Corp.*, 283 U.S. 27, 75 L.Ed. 819 (1931), the patent was on a container with dry ice. The container was sold only to those who purchased dry ice from the patentee. The patentee pointed out that in the *Motion Picture Case* the film was not a part of the patented device, whereas in the case at bar dry ice was a part of the patented device. The Court held that this difference was "without legal significance" (283 U.S. 33, 75, L.Ed. 823).

In *Leitch Manufacturing Co. v. Barber Co.*, 302 U.S. 458, 82 L.Ed. 371 (1938), the patent was on a method of treating concrete, using unpatented emulsion. The patentee sold emulsion, granting with the sale a free license to use the invention. The patentee sued a competitor who supplied emulsion for use with the process. The patentee maintained that this practice was legal because no agreement was entered into, nor any notice given

restricting users. All the patentee did was sue an infringer. This difference was rejected as being "without legal significance" (302 U.S. 462, 463, 82 L.Ed. 373).

The same patent and patentee were involved in a later case, *Barber Asphalt Corp. v. La Fera Grecco*, 116 F.2d 211, C.A. 3 (1940). The patentee had revamped its practice. It sold emulsion with a license to use the patented invention. It also extended licenses to anyone obtaining emulsion from competitors, such license requiring the payment of 1¢ per square yard of pavement treated. The Court held this to be "an illegal device entered into for the purpose of avoiding the prohibition enunciated by the Supreme Court in *Leitch Mfg. Co. v. Barber Company*" (116 F.2d 215, 216).

The second *Barber Case* was followed by this Court in *Dehydrators, Ltd. v. Petrolite Corp.*, 117 F.2d 183 (1941). The patent there was on a method of treating oil emulsions with turkey red oil. The patentee offered an "unlimited license" to those who bought turkey red oil from competitors, at a royalty equal to the difference between the patentee's price and the market price of turkey red oil. This scheme was held to be a misuse of the patent. The Court said at 117 F.2d 187:

"If the appellee [patentee] had been more interested in promoting or exploiting its patent than in selling its Tret-O-Lite [the turkey red oil sold by the patentee] it would have been a very simple matter to fix a royalty fee of so many cents per gallon whether purchased from the appellee or from outsiders"

In *B. B. Chemical Co. v. Ellis*, 314 U.S. 495, 498; 86 L.Ed. 367, 370 (1942), the patentee urged that it was convenient or necessary for all concerned to do business in a particular way, but the criterion of convenience was rejected as being "without significance."

In both *United States v. Univis Lens Co.*, 316 U.S. 241, 251, 252; 86 L.Ed. 1408, 1419 (1942) and *Mercoid v. Mid-Continent Investment Co.*, 320 U.S. 661, 666; 88 L.Ed. 376, 381 (1944), it was held that the particular method by which the monopoly is sought to be extended is immaterial.

A recent case substantially on all fours with the case at bar is *Cardox Corp. v. Armstrong Coalbreak Co.*, 194 F.2d 376, C.A. 7 (1952), certiorari denied 343 U.S. 979, 96 L.Ed. 1371. In the *Cardox Case*, plaintiff leased its product which was an "Airdox Unit" consisting of patented cartridges for blasting in coal mines with compressed air rather than an explosive, together with a motor, a compressor, several valves and unions, tubing and necessary connectors. The plaintiff's leasing practice was characterized identically to the leasing practice in the case at bar, as follows (194 F.2d 382):

"Plaintiff does not lease or sell its patented airdox cartridges separately, but only leases them in combination with other elements and equipment, the aggregation of which is called the Airdox Unit."

The court, commencing at page 382, discussed very ably and at some length several leading cases on patent misuse commencing with *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 283 U.S. 502. The court then pointed out defendant's contention there (which is Defendants' contention here), that the effect of the lease agreement was to enable the patentee to control unpatented accessories and material which were used in the unit in combination with the patented apparatus. The court then referred to the plaintiff's argument there (which is Plaintiffs' argument here) that its lease contained no tie-in clause but that the lessee of an Airdox Unit might purchase unpatented materials and equipment similar to those used in the Airdox Unit from whomever he chose; that there was no provision in the lease that lessee should not use compressors, etc., obtained from competitors. In rejecting the pat-

entee's arguments and sustaining defendant's position the court said at page 383:

"The Supreme Court has pointed out that it is not necessary that the lease or other contract contain express provisions of a tie-in or other agreement limiting competition. *The actual realistic effect upon competition is important.*" Citing *International Salt Co., Inc. v. United States*, 332 U.S. 392, 398; 92 L.Ed. 20.

The court then referred to *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U.S. 271; 93 L.Ed. 672 and stated the rule of that case as follows:

"* * * an appearance of freedom from abuse of patent by imposing on licensees, either as a condition of license, or otherwise, any requirement, condition, agreement or understanding as to purchase or use of unpatentable commodities, is not conclusive, *if it conceals a subterfuge and if there is real, although informal restraint.*"

Finally, in the last two paragraphs of the opinion, the court reached the following conclusion:

"The trial court made a finding of fact that the plaintiff's lease did not contain a tie-in clause. We regard this as a conclusion of law. In any event the wording and contents of the lease agreement are not in dispute. There likewise is no conflict in the evidence as to the past business practice of plaintiff in only leasing its patented cartridges as part of a unit together with the unpatented compressor and other components. Although the question is not free from doubt, it is our view that under the authority of the cases cited, plaintiff's conduct constituted a misuse of its patents, by unlawfully extending and attempting to extend the monopoly of its patents.

"Judgment reversed, with instructions to dismiss the complaint."

In the present case, Plaintiffs lease a complete holiday detector and they refuse to sell it. Moreover, Plaintiffs will not sell or lease any of the components of their detector except as replacement parts for leased detectors. The leased detector of Plaintiffs comprises the Patented Apparatus and the separable, divisible Electrical Apparatus which, according to the Stearns Patent itself, need not be employed with the Patented Apparatus. It cannot be denied that if a person wishes to obtain the Patented Apparatus from Stearns, he may do so only by taking the unpatented Electrical Apparatus. Nor can it be denied that the major portion, costwise, of a complete Stearns Holiday Detector is the unpatented Electrical Apparatus.

Clearly, this is a case of the patented "tail" wagging the unpatented "dog"; of a bold attempt to make a patent on about 10% of a device monopolize the other 90%.

Clearly, if the *Cardox Case* is to be followed in this Circuit, Plaintiffs' practice must be held a misuse. Equally clearly, any slight differences that may exist between the facts of the present case and the facts of the *Cardox Case* are "without legal significance."

C. FINDINGS NOS. 57-60 PROPERLY HOLD THAT PLAINTIFFS' LICENSING POLICY IS NOTHING MORE THAN AN EXTENSION OF THEIR UNLAWFUL LEASING POLICY AND IS AN ATTEMPT TO FORCE PLAINTIFFS' LICENSEES TO DO BUSINESS IN THE SAME UNLAWFUL WAY AS PLAINTIFFS.

It is Defendants' position that Plaintiffs' leasing practice, in and of itself and quite apart from Plaintiffs' licensing policy, is a misuse of the Stearns Patent because it endeavors to extend the monopoly of a patent on an electrode-pusher-carriage combination to the apparatus employed with that combination.

We regard the District Court's findings concerning Plaintiffs' licensing policy as a delineation (which is amply supported by the record and is well founded in law) of an attempt by Plaintiffs to

extend their monopolistic leasing practice to their licensing operations.

Finding No. 57 (R. 929) is that the D. E. Stearns Company grants two forms of license (Defendants' Exhibits AA and BB), both of which require licensee to pay a royalty of \$250.00 for each electrode-pusher combination. The "selling" form of license (Defendants' Exhibit AA) permits the licensee to sell the patented electrode-pusher combination upon payment of a royalty of \$250.00 for each such combination. There is a proviso as follows in paragraph III of the license, commencing near the end of the third line:

"* * * provided, however, that when a particular electrode and electrode pusher combination is sold for use with a particular high voltage unit, Licensee may cause to be attached permanently to such high voltage unit a plate or label which Licensor will furnish upon payment of each royalty of two hundred fifty dollars (\$250.00) * * *"

The "rental" form of license (Defendants' Exhibit BB), charges the same royalty (\$250.00) as a license fee for rental of an electrode-pusher combination.

There can be no dispute that Finding No. 57 correctly states that the same royalty of \$250.00 must be paid, whether the patented electrode-pusher combination is sold or leased alone, or whether it is tied to a complete detector, including the unpatented electrical apparatus.

Findings Nos. 58 and 59 (R. 929) are that Rasor testified, without contradiction, that the Tinker & Rasor pusher and electrode combination (Pls.' Exhs. 26A and 26C) sells for about \$22.50; that it would not be possible to sell this combination (assuming it to be an infringement and that the selling license, Defendants' Exhibit AA, were accepted) by itself and pay a royalty of \$250.00; and that Tinker & Rasor would have to sell the electrode-pusher combination in conjunction with a complete detector. Rasor's uncontradicted testimony is reported at R. 444-448.

Plaintiffs point out (Plaintiffs' Brief, page 50, first par.) that, on cross examination, Rasor testified that in renting its detector Tinker & Rasor would recoup the \$250 in about one month (R. 466). Note, however, that the weekly rental of \$62.50 is the rental *for a complete detector* which sells for about \$1,200.00 (R. 445). The electrode pusher combination sells for about \$22.50. Obviously, it would be impossible either to rent or sell a \$22.50 item and pay a royalty of \$250.00. The very point made by Plaintiffs shows conclusively that Plaintiffs' licensing scheme is purposely rigged so that a licensee must follow the pattern set by the licensor. *A licensee must never let the public have the electrode and pusher except in combination with a complete holiday detector.*

Clearly, therefore, the District Court was justified in finding (Finding No. 60, R. 929) that

"Finding No. 60. The inevitable effect of the licensing policy of the D. E. Stearns Co. is to require licensees to adopt and adhere to the same policy as the D. E. Stearns Co., namely, offering patented apparatus only in conjunction with and tied to unpatented electrical apparatus, thereby restraining competition in unpatented components of holiday detectors."

VI. A Reply to Miscellaneous Assertions in Plaintiffs' Brief.

A. PLAINTIFFS ERRONEOUSLY DESCRIBE THE WHEELS OR ROLLERS OF THE STEARNS PUSHER AS A BEARING. THAT TERM IS NOT SO USED IN THE PATENT AND WAS NOT INTENDED BY STEARNS TO DESCRIBE THE WHEELS OR ROLLERS OF HIS PUSHER.

Throughout their brief, e.g., at page 10, first paragraph, Plaintiffs employ the term "bearing" to describe their pusher and the term "semi-sleeve bearing" to describe Defendants' pusher. Plaintiffs hope, by endless repetition, to persuade this Court that when the patent refers to "wheels" or "rollers", it means "bearings", and that Defendants employ a form of "bearing".

Stearns is an experienced engineer (R. 55-57) who obviously knows the meaning of technical terms. Chambers' Technical Dic-

tionary, Revised Edition, published by McMillan & Co., 1944, at page 83, defines "bearings" as follows:

"Supports provided to hold a revolving shaft in its correct position."

Stearns used the term "bearing" in this sense to describe certain parts of his device. At page 2 (R. 759), col. 1, lines 30-33, he refers to the "ball bearings 10" on which wheels 3 revolve. But the members 44 and 45 (Figures 1 and 10) and 68 and 69 (Figure 15) which contact the spring are referred to, not as "bearings" but as "wheels"; e.g., at page 2 (R. 759), col. 2, lines 28-29, 36 and 50, and page 3 (R. 760), col. 1, lines 12, 18 and 23. These "wheels" are in turn supported by "bearings" (page 2, col. 2, lines 41-43), but nowhere are the wheels themselves referred to as "bearings." Claims 2, 3, 4, 5, 6 and 8 all refer to "rollers".

It is significant, indeed, that a highly trained engineer such as Stearns would refer frequently to 'bearings' but never in connection with the means contacting the electrode. The latter are quite properly described as "wheels" or "rollers". Wheels not only support something, but rotate, and thereby move what they support. Bearings have the passive function of supporting and allowing something to rotate. The Stearns Patent teaches that the wheels 44 and 45 are made to rotate, and wheels 68 and 69 "must rotate easily to cause proper propulsion of the electrode."

The idea that "wheels" or "rollers" are synonymous with "bearings", and that Defendants employ a "semi-sleeve bearing", is an ingenious invention which, however, does not accord with the facts as they existed *ante litem motam*.

B. PLAINTIFFS ERRONEOUSLY CONTEND THAT, AS TO THE ISSUE OF INFRINGEMENT, ONLY QUESTIONS OF LAW EXIST.

This contention is made at page 19 of Plaintiffs' brief. A comparison of the facts of the present case with those of the first case cited by Plaintiffs will demonstrate the error of this contention.

In *Stuart Oxygen Co. Ltd. v. Josephian*, 162 F.2d 857, C.A. 9 (1947), the patent was on a means for securing a number of oxygen cylinders in a manner to permit ease of handling. This was accomplished by strapping the cylinders to a "plate" or "truck" having an outer rim and a circular base of smaller diameter than the outer rim. The truck would support the cylinders not only in vertical position, but also in tilted position, in which the truck would rest on the edge of the base and the edge of the outer rim. This is clearly illustrated in the patent drawings reproduced in the report at 162 F.2d 858. The fact that the truck and its load were stable in tilted position permitted moving the cylinders with ease by tilting and rolling them, without danger of tipping over.

The accused device differed only in that, in the tilted position the cylinders would rock back to the vertical position unless restrained.

The critical phrase in the claims was "having a second stable position when tilted". This phrase was present in the claims as filed, i.e., it was not introduced by amendment. Hence file wrapper estoppel did not apply. Inspection of the file wrapper, which is printed in the record of the case, shows this to be a fact.

Moreover, the patent stated at page 2, col. 1, lines 42-47:

"I wish it to be distinctly understood that the drawing given here is illustrative only, and that the relative diameters of track 11 and lower plate 8 may be varied as desired to control the amount of force necessary."

This situation contrasts with the facts of the case at bar as follows:

In the first place, the patent in the *Stuart Case* made it clear that a considerable latitude was permissible in regard to the point at issue, whereas in the Stearns Patent it is emphasized that the wheels on the pusher are driven, or if not driven, *must rotate easily*.

In the second place, the critical language in the claims of the Josephian patent was present in the claims as filed and was not added by amendment as a condition for the allowance thereof.

The facts did not call for application of the rule of file wrapper estoppel and the rule of strict interpretation. In the case at bar, the critical phrase "rotatably engaging" was inserted in Claim 1 by amendment, therefore invokes the rule of file wrapper estoppel and the rule of strict interpretation. Testimony was taken at the trial regarding the interpretation of the ambiguous language "rotatably engaging" in Claim 1 (Cf. testimony of Lee, R. 334; Peterson, R. 522, 523; Stearns, R. 89, 90; 112-115). Testimony was also taken regarding equivalence of Defendants' device and the structure of Claim 7 (Lee, R. 317, 318). There is ample evidence to support the District Court's findings regarding infringement.

C. PLAINTIFFS SUGGEST THAT THE CRITERION OF INFRINGEMENT IS A COMPARISON OF THE DEFENDANTS' STRUCTURE WITH SOMETHING OTHER THAN THE CLAIMS OF THE PATENT. THIS IS NOT THE PROPER CRITERION OF INFRINGEMENT.

At page 20 of their Brief, Plaintiffs criticize the District Court because it "made no formal finding of fact comparing the Defendants' holiday detector with the invention as determined by the Court of Appeals * * * A mere visual comparison of Exhibit D, attached to this brief, with the drawings of the patent in suit (Exhibit C) illustrates the correctness of the Trial Court's characterization and completeness of Defendants' appropriation of the Stearns' invention." Appended to Plaintiffs' Brief and identified as "Exhibit C" is a reproduction of Figs. 1, 7, 10 and 15 of the patent drawings with colors added. In "Exhibit D" appended to Plaintiffs' Brief is a picture of Defendants' holiday detector colored to show what are said to be corresponding parts.

Again, on pages 24 and 25, Plaintiffs suggest that the criterion of infringement is a comparison of the invention of the patent with the accused device and they criticize the District Court because it made no such comparison.

The District Court did compare Defendants' device with the *claims* of the Stearns Patent (Findings Nos. 34 and 35, R. 924

and Findings Nos. 40, 41, 42 and 43, R. 925-928). That is, and always has been, the proper basis of determining infringement.

Only the claims of a patent can be infringed. As stated in Walker on Patents, Deller's edition, page 1681, "infringement of a patent is an erroneous phrase; what is infringed are the *claims of the patent*." [Emphasis in the original.] Accordingly, a mere comparison of Defendants' device with the drawings of Plaintiffs' patent is not a proper basis of determining infringement.

If Plaintiffs wish to protect the appearance of their device, they have misconceived the form of protection. They should have sought the protection of a design patent under 35, U.S.C. 171, or copyright protection under the Copyright Code, Title 17 of the United States Code.

Kemart Corp. v. Printing Arts Research Laboratories, Inc., 201 F.2d 624, C.A. 9 (1953) cited by Plaintiffs is ample authority for the proposition that the claims must be looked to and even the "broadest claim can be no broader than his [the patentee's] actual invention" 201 F.2d 629. *Continental Paper Bag Co. v. Eastern Paper Bag Company*, 210 U.S. 405, 419, 52 L.Ed. 1122, 1128 (1908) points out that:

"* * * the claims measure the invention. They [the claims] may be explained and illustrated by the description. *They* [the claims] *cannot be enlarged by it.*"

D. PLAINTIFFS RELY UPON CERTAIN GENERAL STATEMENTS IN THE STEARNS PATENT TO GIVE THE INVENTION A BROAD CHARACTERIZATION. THESE GENERAL STATEMENTS MUST BE READ IN THE LIGHT OF RELATED SPECIFIC STATEMENTS. SO READ, THE GENERAL STATEMENTS ARE NOT A RELIABLE CRITERION OF THE BREADTH OF THE INVENTION.

Plaintiffs, in their effort to "give a broad characterization of the invention" (Plaintiff's Brief, page 29) point to general statements such as the following (Stearns Patent, page 1 (R. 758), col. 2, lines 14-19; Plaintiff's Brief, pages 28 and 29):

"Other objects and advantages of this invention will become apparent from the following description taken in connection

with the accompanying drawings, wherein are set forth by way of illustration and example certain embodiments of this invention."

This is a generalization which comes at the end of a statement of specific objects (Stearns Patent, page 1 (R. 758), col. 1, line 50 to col. 2, line 13).

One of these specific objects is "to provide a means for marking the pipe line whenever a defect in the insulating [sic] is encountered" (Stearns Patent, page 1, col. 2, lines 1-3). Figure 3 purports to be a drawing of "the pipe marking device forming a part of the invention" (Stearns Patent, page 1, col. 2, lines 30-35). *Yet none of the claims is directed to a pipe marking device.*

Another of the specific objects is "to provide such an exploring electrode which will not be apt to break or injure the insulating coating on the pipe line" (Stearns Patent page 1, col. 2, lines 9-11). Claims to the electrode itself were presented in the application as filed but were rejected and abandoned. (File wrapper, Defs.' Exh. L, Claims 9, 10, 11 and 12 at pages 15 and 16, cancelled at page 31; testimony of Peterson, R. 516-518)

It is clear that certain features (the marker, and the electrode *per se*) are specifically stated to be objects of the invention, but are not claimed. It is settled law that anything described but not claimed in a patent is dedicated to the public. *Mahn v. Harwood*, 112 U.S. 354, 360, 361; 28 L.Ed. 665, 668 (1884).

If specifically stated objects cannot be relied upon as a criterion of what is claimed, then how can a general statement concerning "Other objects and advantages" be relied upon?

It is apparent that the vague, general statements relied upon by Plaintiffs do not "give a broad characterization" of the critical language of Claim 1, which is "means rotatably engaging."

E. PLAINTIFFS ERRONEOUSLY CONTEND THAT THE ARGUMENT OF THE PATENT SOLICITOR IN AMENDING CLAIM 1 SUPPORTS THEIR INTERPRETATION OF CLAIM 1.

Remarks of Stearns' Patent Office solicitor (Mr. Browning, who is one of Stearns' counsel in the present case) pertaining to the amendment of Claim 1, are set forth verbatim at page 33 of Plaintiffs' Brief. These remarks do not clarify the meaning of the phrase "rotatably engaging" in Claim 1. Even if these remarks did clarify the meaning of this phrase in a manner favorable to Plaintiffs' position, Plaintiffs have artfully stated only half the rule of *Cutter Laboratories, Inc. v. Lyophile-Cryochem Corp.*, 179 F.2d 80, 87, C.A. 9 (1949). The entire rule is as follows:

"While arguments in the file wrapper cannot be used to expand the scope of a claim, they can be used to affirm a construction, permissible by the wording of the claims, as according with the intentions of the inventor and the Patent Office."

Plaintiffs seek to *expand* Claim 1, contrary to authority. It is also noteworthy that in the *Cutter Case* there was no file wrapper estoppel because there had been no amendment of the claim. Accordingly, in the *Cutter Case* the rule of strict construction against the patentee was not applicable. The rule of strict construction is required where there is file wrapper estoppel. *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136, 137; 86 L.Ed. 736, 744. There is file wrapper estoppel in the case at bar.

F. PLAINTIFFS POINT TO THE FACT THAT CLAIM 1 RECITES "MEANS ROTATABLY ENGAGING", WHEREAS CLAIM 2 RECITES "ROLLERS", AND THEY RELY UPON THE RULE THAT A GENERIC CLAIM WILL NOT ORDINARILY BE CONSTRUED TO INCLUDE THE LIMITATION OF A MORE SPECIFIC CLAIM. BUT PLAINTIFFS NEGLECT TO STATE THE CONTROLLING RULE THAT NO CLAIM MAY EXCEED THE ACTUAL INVENTION.

Plaintiffs at page 31 of their Brief point to the fact that Claim 1 recites "means rotatably engaging", whereas Claim 2 recites "rollers."

The general, expansive rule and the controlling restrictive rule stated in the caption above were both considered recently by this Court in *Kemart Corp. v. Printing Arts Laboratories*, 201 F.2d 624, 633 C.A. 9 (1953). This Court stated that the expansive rule of claim interpretation

"is subordinate to the controlling rule that a patentee's broadest claim can be no broader than his actual invention, no matter how it may be expressed or what other claim his patent may contain."

In the case at bar, the Stearns Patent on its face, and Stearns abortive experience with a wheelless pusher (R. 89, 90; 112-115) establish the fact that his invention is no broader than a wheeled pusher.

G. CASES RELIED UPON BY PLAINTIFFS ON THE ISSUE OF MISUSE ARE DISTINGUISHABLE.

Plaintiffs rely mainly on *Electric Pipeline, Inc. v. Fluid Systems, Inc.*, 231 F.2d 370, C.A. 2 (1956); *Vulcan v. Maytag*, 73 F.2d 136, C.A. 8 (1934), and *United States v. General Electric Co.*, 272 U.S. 476, 71 L.Ed. 362 (1926) (Plaintiffs' brief pages 43, 48 and 51).

The *Electric Pipeline Case* concerned a patent on a heating system. The patentee installed the patented system in accordance with individual requirements of each customer. The system included unpatented components which the court characterized as "incidental to the sale of the system as a whole." (231 F.2d 372)

In the case at bar, the unpatented apparatus, far from being "incidental", accounts for the major portion of the cost of a Stearns Holiday Detector (Findings 48, 49 and 50, R. 927; testimony of Stearns, R. 168).

The *Vulcan Case* concerned a license agreement under patents on a swinging ringer and gear mechanism for use with power operated washing machines. The license agreement permitted licensee to use the invention only in connection with certain types

of washing machines. This was held not to be misuse of the patent.

In addition to the fact that the *Vulcan Case* is distinguishable, it is of doubtful authority. Certiorari was granted at 293 U.S. 553; 79, L.Ed. 656. The appeal was subsequently dismissed by stipulation of counsel. 294 U.S. 734, 79 L.Ed. 1263

The *General Electric Case* was an anti-trust case and is noteworthy chiefly because it sanctions an agreement between a licensor and a licensee of a patent fixing the price at which the licensee may sell the patented article.

There is nothing in the *General Electric Case* conflicting with the holding of the *Cardox Case*, or other cases on patent misuse relied upon by Defendants. Moreover, different considerations apply in an anti-trust case than apply in a case involving the defense of misuse of patents (*Morton Salt Co. v. Suppiger Co.*, 314 U.S. 488, 490; 86 L.Ed. 363, 365 (1942)).

CONCLUSION

It is respectfully submitted that the District Court properly found Claims 1 and 7 not infringed by any devices manufactured or sold by the corporate defendant Tinker & Razor; that the District Court properly found Plaintiffs are barred from relief because of misuse of the Stearns Patent; and that Paragraphs I and III of the Judgment dismissing the Complaint and awarding Defendants costs in the Trial Court should be affirmed.

Respectfully submitted,

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Certificate of Service

Three copies of the within brief were served upon Dick E. Stearns and the D. E. Stearns Company on the day of October, 1956 by mailing three copies to H. Calvin White at 611 Wilshire Blvd., Los Angeles 17, California, attorney of record for the said parties, the same being the last address of said H. Calvin White known to the undersigned, such copies being sent through United States mail, postage prepaid.

EDWARD B. GREGG